

EXHIBIT E



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Nomura Wins Auction For Lehman's Asian Operations

By ALISON TUDOR and RICK CAREW

TOKYO – [Nomura Holdings](#) Inc., Japan's largest brokerage house, is paying \$225 million for the Asian operations of bankrupt Wall Street firm Lehman Brothers Holdings Inc., a person familiar with the matter said. The deal marks the latest example of how cash-rich Japanese financial companies are quickly seizing opportunities in the U.S. financial crisis to expand their presence overseas.

Nomura, which won the auction for Lehman's Asian business Monday, will be acquiring the equities and investment banking operations of Lehman across Asia, including in Japan and Australia, but won't be taking on any of Lehman's losses on its balance sheet, this person said. The price tag includes \$50 million in goodwill.

Nomura is also bidding for the businesses of Lehman Brothers in Europe, but is still in negotiations.

The move allows Nomura, which had scaled back its overseas operations during the decade-plus-long economic slump in the 1990s and early 2000s, to bulk up again in Asia. Many Japanese companies, which have restructured their operations and carefully husbanded cash for years, have regained their health and are expand abroad to keep their businesses growing as the domestic market shrinks. But Nomura has watched lucrative M&A advisory contracts on the biggest of these acquisitions go to U.S. investment banks, which had deeper knowledge of markets outside Japan and greater experience in more sophisticated M&A markets such as the U.S.

By acquiring Lehman Brothers' operations it hopes to win back its role as trusted advisor to Japan's blue chip firms, even when they venture abroad. Lehman employs about 2,940 people in the Asia Pacific region across 10 offices. The firm reported net revenue of \$1.4 billion for the first six months of fiscal 2008 in the region, according to its Web site.

Nomura has plenty of cash: It has been able to raise about 600 billion yen (\$5.63 billion) since April to shore up its own balance sheet and prepare to make acquisitions.

The speed of the auction, and Nomura's decision-making, has surprised some analysts, who were concerned that Nomura would lose out in the industry-wide consolidation because of Japanese historically cautious approach to making acquisitions. But it has raised questions as to the level of due diligence the firm had time to conduct.

Nomura faces a difficult challenge bringing Lehman's bankers into its fold. For a start, the aggressive, "eat what you kill" mentality of many bankers on Wall Street is anathema to the importance placed on team work within Japanese organizations. Japanese banks are still driven to some degree by relationships with core clients, unlike many of their U.S. peers which since the late 1990s have been placing more emphasis on winning the next transaction.

Nomura may also struggle to stop Lehman's top bankers walking out the door. Japanese banks have also struggled to pay the same level of bonuses to investment bankers, partly because of their lower tolerance for risk which has crimped profits.

Hong Kong Operations

Lehman employees in Hong Kong, its second-biggest office in Asia after Tokyo, reacted positively to the news when regional Chief Executive Jesse Bhattal and Nomura chief operating officer Takumi Shibata briefed Lehman staff in the afternoon on the deal. Many expressed relief at keeping their jobs and health care after despairing early last week when Lehman filed for bankruptcy.

"Families are happy and appreciative," said one Hong Kong-based Lehman banker. "The identity of the buyer is of secondary importance for the moment."

Lehman bankers are also hopeful that Nomura will be able to reunite them with their European colleagues if it can win the bidding for those assets. One person familiar with the situation said no bidders from China, Asia's other cashed-up nation, were in advanced talks to buy the Asia operations. People familiar with the talks said Barclays bid for only parts of Lehman's Asia business, while wanting to shed others. Barclays was most interested in Lehman's equities business, and wanted to avoid buying the fixed-income business where there would have been significant overlap, they said.

Lehman's operations have won a reputation as a scrappy player in key business areas like China deals and mergers and acquisitions. This year, they've aggressively poached bankers such as Goldman Sachs Group Inc.'s Julian Cheong

to expand their financial institutions business and UBS AG's Patrick Lee to build a Southeast Asia team.

Whether the firm will be able to keep that momentum going forward under a new management culture and in tougher times remains to be seen.

Lehman's outsourcing facility in India, with its staff of about 2,000, isn't included in the deal because it falls under the management of New York, rather than Asia-Pacific.

Separately, Lehman Brothers Liquidity Fund said Monday Robert Sargent has resigned as a director of the company and John Dugenske has been appointed a director.

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